

November 2008

Innovation by **design** in public services

Edited by **Emily Thomas**

Emily Thomas

Clive Grace

Michael Bichard

Lynne Maher

Ian Watmore

Tim Brown

Julie Jones

Katherine Kerswell

John Thackara

Ged Fitzgerald

Andrea Siodmok

Lucy de Groot

Ruth Flood

Eddie Obeng

Stephen Bubb

David Prout



Public
the guardian





The SOLACE Foundation Imprint (SFI) is local government's foremost thought leadership publication addressing the most pressing and challenging issues of public policy and public management. SFI commissions concise contributions on the major themes which are central to the concerns of senior executives, policy makers and politicians. We are resolutely non-political, though we recognise and actively address the importance of political leadership and debate in developing public services. We publish a range of voices that pose challenges to senior public executives and show how challenges might be met. We believe our strength is in the range and diversity of ideas we publish because the world is more complicated than any contrived consensus. Through SFI many flowers are encouraged to bloom.

Created in 2005, SFI now reaches more than 15,000 of the UK's most senior managers and politicians as well as a growing international and private sector audience.

SFI Editorial Board

Sir Michael Bichard
(editor in chief)
Clive Grace
(chairman)
Geoff Alltimes
Mike Bennett
Robert Black
Sandy Blair
Steve Bundred
Andrew Coleman
Steve Freer
Lucy de Groot
Katherine Kerswell
Vivien Lowndes
Steve Martin
Mark McAteer
Peter McNaney
Anthony Snow
Wendy Thomson
David Walker

Executive editor

Michaela Lavender

Administrator

John Mullooly

The work of SFI relies on the continued support of SOLACE and SOLACE Enterprises. We would also like to thank our partners the Guardian's Public magazine and the MJ as well as our main sponsors the IDEa, the Leadership Centre, Audit Scotland, the Wales Audit Office and the Audit Commission. For more information on any aspect of SFI please contact john.mullooly@solace.org.uk.



To download copies of all previous pamphlets, please visit: solace.org.uk/asp/news_sfi.asp

Contents

- 4** Foreword
by **Emily Thomas and Clive Grace**
- 6** Overcoming obstacles
by **Michael Bichard**
- 10** How the NHS is thinking differently
by **Lynne Maher**
- 14** The role of central government
by **Ian Watmore**
- 17** Public servants – by design
by **Tim Brown**
- 20** Social care what will work in the future?
by **Julie Jones**
- 23** Designs on the future
by **Katherine Kerswell**
- 26** Transforming public services
by **John Thackara**
- 30** Better by design
by **Ged Fitzgerald**
- 34** A hotbed of creativity
by **Andrea Siodmok**
- 40** From best practice to next practice
by **Lucy de Groot**
- 44** What can design add to the sector?
by **Ruth Flood**
- 48** It shouldn't happen to a customer
by **Eddie Obeng**
- 57** Third sector's role in innovation
by **Stephen Bubb**
- 59** Lessons from a planner
by **David Prout**

Public

The Guardian
119 Farringdon Road, London
EC1R 3ER Tel:020 72782332;
Website: guardian.co.uk/public
Email: public@guardian.co.uk

Produced by the SOLACE Foundation,
distributed by The Guardian
©2008 the authors

Innovation by design in public services

by Emily Thomas and Clive Grace



Design is key to the challenges of public service transformation. And those challenges are daunting. The government published the Innovation Nation white paper earlier this year, and set the scale of what lies ahead. New and revised approaches are needed which build on the exciting work underway but which connect the public into the centre of both policy and action.

Personal treatment

As business responds to the public's desire to feel they are getting a personal treatment, these same expectations are being placed on our public services. Individuals want to be seen as just that – individuals – and this creates additional demand on our services to re-orient themselves to deal with the complex needs of a person against the ever-present challenge of delivering public services universally. In addition, they are expected to deliver greater efficiency and higher productivity. Achieving value for money with the increased investment in public services over the past few years is compounded by current global economic pressures and their effect on services and the families that use them.

In some ways this could be a blessing in disguise because “necessity is the mother of invention” and “discontent is the father of progress”.

The articles in this pamphlet present a powerful case for design and how it can help achieve better designed public services while fulfilling what can be competing objectives of personalisation and value for money. The contributors to this pamphlet range from social innovators and designers to policy-makers and leaders in government, health and social care. In their articles, they set out the range of projects and innovations where design is already playing a role.

Barriers

Sir Michael Bichard sets out why innovation continues to be stifled in the public sector. These barriers are not unique to the public sector and as Eddie Obeng's research shows, the success rate is only in the order of 1 in 100,000.

But the debate remains on the extent to which design can offer solutions for public services. Design Council research shows that while almost half of local councils surveyed said they had fundamentally redesigned services in their

area in the past two years, very few used design in the strategic planning phase. Instead, they reported using design in the final stages of projects focusing on products and marketing.

The Design Council is seeking to enable and inspire innovation in public services. As part of this, we will be hosting debates and workshops on how public services can best use design. We are keen to hear from readers their own contribution to this debate at public-servicesbydesign@designcouncil.org.uk

Finally we would like to thank all the contributors for their thoughtful pieces and a special thank you to Mike Bennett and Angela McGarrigle for their hard work and support in putting this publication together.

Emily Thomas recently joined the Design Council to create a new enabling service for the use of design in public service transformation. Previously, she was the government's special adviser on innovation working for both David Sainsbury at the former Department of Trade and Industry and Alistair Darling at the Treasury. Before this she was the advisor to the Canadian Government on labour issues and homelessness

Clive Grace is chair of the Local Better Regulation Office, and of the SOLACE Foundation Imprint

Overcoming obstacles



by Michael Bichard, chairman, Design Council

I remember a few raised eyebrows in the late 1990s when we began at the then Department for Education and Employment (DfEE) to look at how we could enhance the capacity of senior officials to be creative and to innovate. Nonetheless, it seemed to us self-evident that we needed to find new ways to tackle the challenges we faced and that repackaging past policies would not do.

More recently it has become much more fashionable to talk about "public sector innovation". Very often, however, I am left with a feeling that not enough time has been devoted to analysing the problem before offering possible solutions. So I wanted in this contribution to look at some of the obstacles to innovation which I have certainly observed and too often encountered which might then provide a framework for future action.

Governance

If we are serious about innovation we need to revisit the various governance arrangements to assess whether these help or hinder the cause. These will include framework agreements and other corporate planning processes which are meant to shape the relationship

between core departments and delivery bodies; other standard doctrines or centrally determined processes which demand compliance and, of course, in central government accounting officer arrangements and the relationship with the Public Accounts Committee (PAC) and the National Audit Office (NAO). You could make a respectable argument to suggest at the moment that we have the worst of both worlds - inadequate accountability frameworks that nonetheless stifle innovation. The National School of Government's Sunningdale Institute will shortly be doing some work on these issues but we should also remember that in practice the informal conventions which develop can be as powerful as the formal governance arrangements.

Capacity

Innovation will not occur at the flick of a switch. It requires public services to build the capacity to innovate. That means supporting staff to develop some of the skills required; ensuring that they are aware of and able to deploy some of the tools - not least the design tools - which are available such as prototyp-

ing, needs based user segmentation or customer insight and journey mapping; building an understanding and appreciation of key disciplines such as service design and growing effective risk management at all levels of the organisation. And the people themselves are important - innovation demands people with a wide range of experience capable of applying that to new settings so the regular recruitment, on whatever basis, of new people and new ideas is critical to success. In the private sector, the Design Council's "Designing Demand" programme is already proving a powerful route to innovation for many small - and medium-sized companies by making available design associates to work with their senior manager. I see no reason why that programme could not be translated into the public sector with equal success.

Incentives and rewards

The incentives and rewards available in any organisation speak volumes about what is valued. Do the assessment and appraisal arrangements reinforce the importance of innovation? Are the outcomes of those assessments reflected in pay awards? Do the promotion systems favour people with a good track record of innovation? Are leaders constantly looking to recognise innovation? In the private sector, the pressure to achieve profitability and competitive advantage provides its own incentives, but these are not as strong in the public services and organisational leaders need therefore to compensate for this deficit via systems and their own behaviour. But we also need to become better at designing incentive regimes which do

not merely reward the highest performers but recognise successful innovation wherever it is found.

Structures

Creativity tends not to flourish in organisations which are centralised, prescriptive, defensive, hierarchical, introspective and status conscious. New thinking will flourish where everyone is valued for their contribution and where ideas can easily travel around the organisation to be challenged and enhanced. So the way in which teams, departments and organisations are structured greatly influences their capacity to innovate. The continuing concerns about the ability of government departments to work effectively across boundaries illustrates that the current structures can still be deeply unhelpful. The free flow of ideas across bureaucratic boundaries significantly lifts the innovative capacity. Equally, the free flow of knowledge and information from staff in regular contact with clients/customers/citizens is a key component of innovation in the public services. The extent to which the structure facilitates or impedes this needs regular attention.

Environment

We have all seen organisations which have been seriously damaged by attacks from the media, organised lobbies and, sometimes, political leaders. They tend to become increasingly risk averse, defensive and focused on the simple act of survival. These are not enjoyable places to work in, and innovation (although needed) is probably the last thing on the minds of the people managing these organisations. The majority find a way of

Overcoming obstacles

achieving a fresh start often as a result of fresh effective leadership – but some do not. There is no simple answer to these kinds of problems but it is clear that the only way to move forward is to stay open to constructive ideas and feedback and to look forward.

Investment

Innovation does not always require additional resources. Indeed, lack of resources can often be the spark which ignites creative thinking. Nonetheless, the public sector's investment in business development and "applied" research does not compare well with the private sector. In addition, there can still be a tendency to focus on cost rather than value which can foster a reluctance to invest in spend to save initiatives. The establishment of a policy innovation unit in the DfEE – largely populated with external secondees – did act as a stimulus to innovation across the department and sent strong messages that senior management and the political leadership were open to new ideas.

Leadership

Clearly leaders who genuinely address the various elements of this framework are more likely to foster and innovative culture. But leadership is also about personal behaviour and example and we have all met leaders whose rhetoric is positive but whose behaviour send an entirely different message. It is vital that leaders show that they are open to new ideas; that they will personally try new approaches; that they welcome constructive challenge and that they respond to failure in a way which seeks

to learn the lessons without prematurely apportioning blame. It is difficult, as ever, to underestimate the influence of a leader's style: not least whether it contributes to the development of trust in the organisation. If trust does not exist, innovation is much less likely to happen simply because people will fear that the consequences of failure – never take a risk with someone you do not trust!

In all of this we need to remember that some of the key drivers of innovation in the private sector – bottom-line profit and company failure – do not exist in the public sector. Innovation can not therefore be taken for granted but demands constant leadership attention so that the passion and commitment of so many public servants provides the raw material for success. None of these obstacles is insurmountable, but the public sector and government in particular need to be prepared to use the experience of others to address them. As Chairman of the Design Council, I have been struck by the power of design, design professionals and design tools to drive innovation and I am certain that the greater use of design could play an important part in developing a more innovative public sector.

Sir Michael Bichard became chairman of the Design Council in January 2008, and took up the post as director of the new Institute for Government in September 2008, after nearly 30 years in the public sector

Make, buy or share?

the **solace**guide to **sourcing**



Faced with providing services with other authorities, another public body or with a private sector partner? This is the guide that gives you the complete picture. It's the practical guide to making critical decisions on sourcing services.

For details of the guide or to buy your copy online see:
www.solace.org.uk/sourcing

The SOLACE Guide examines:

- Case studies of councils' real experiences
- Different sourcing models
- Latest innovations and trends
- Practical answers to crunch questions

How the NHS is thinking differently



by Lynne Maher, head of innovation practice, NHS Institute for Innovation and Improvement

The National Health Service recently celebrated its 60th birthday. And, as with all such milestones, it proved an opportunity to reflect on how health services have changed over the decades. There is much to applaud. Many traditional surgical methods, with long hospital stays and painful recoveries, have been replaced by less invasive keyhole methods or even new diagnostic techniques or pharmaceutical solutions that negate the need for surgery altogether. Information technology has revolutionised the capture, storage and transfer of data across the NHS and improvement efforts have drastically reduced waiting times.

However, being an NHS patient can still be a frustrating experience. And when we review health systems we can see that changes in service have sometimes not kept pace with changes resulting from technological and pharmaceutical innovations.

Thinking differently

The NHS has an ambition to achieve a more patient-centred approach to healthcare. However, this demands new approaches, new tools and new tech-

niques. We recognised that approaching our goal with the same mindset as we've always had would only achieve the same results as we've always achieved. Thinking differently - the necessary prerequisite for doing differently - was recognised as essential to improving patients' experiences.

Thinking differently involves looking outside of our traditional mindsets. It means making creative connections with other industries, some of which we would not usually associate with our own ideas, which may be commonplace in other industries, can have a significant positive impact when applied in a healthcare context.

An unlikely partner

Our exploration of other industries brought us to the world of design. But, designers design chairs don't they? On the face of it, the design industry might not be considered an obvious partner to help in our scientific world of health services.

Yes, of course, designers design chairs. In fact, virtually every manmade thing we see has gone through a design process. But the design industry does

not only focus on products. Designers are also experts in designing services. They pay particular attention to people's experience of using those services. And that was where they can help the NHS.

User-centred design

Services are all around us. Every time we visit a shop, hotel, theme park or airport we are experiencing a service that has been designed to provide us with a specific experience. Focusing on the user of a product or process (user-centred design) is an overarching philosophy used within the design industry. It is afforded the same level of importance as performance and engineering of the product or service.

How does it feel?

Healthcare teams, too, have significant skills in improving the performance and reliability of services. But they have not always placed equal focus on the aesthetics of experience – how it feels to use or be part of the service. It was in relation to this component that we drew learning from the design industry. Experience-based design is our interpretation of the design industry's approach. It builds on the core principles of user-centered design and has helped healthcare staff to capture effectively, and understand, the patient's actual experience rather than relying on opinion or their interpretation of the journey taken through healthcare services. Our work with designers has resulted in the development of a process that involves both staff (as providers of care) and patients (as receivers of care). They work together to co-create solutions. This is a radical departure from traditional

healthcare approaches which normally see professionals taking sole responsibility for designing new processes. Patients are often involved in the early stages of an improvement process to provide their opinion of areas for improvement. This is then interpreted by health care staff who then go and do the designing. The professionals have the best intentions, but often design from their own perspective and this may not always fully reflect the patient's needs or experiences.

Learning to see

This journey exposed the NHS to powerful new tools and techniques. Again, while commonly used within service design, these approaches rarely feature within the health service. We learnt the power of observation, not in the style that clinicians are expert in, where their skills are honed to link symptoms with diagnosis, but observation based on anthropological principles. In this way, we really see what is happening in the current situation and the current environment.

Discovering the truth

Comments like "people do not always do what they say they do" and "things are not always as they seem" have rung true time and time again as we discover what is really happening on the front line of care. Many of these discoveries have been extremely positive. We uncovered examples of exceptional service where patients were delighted with the care they received. But we also found areas for improvement. These ranged from communication and interaction with healthcare staff through to preserving

patient dignity, increasing safety and other performance-related areas. When placed in the context of the patient experience of receiving care and the staff experience of providing care, these insights have delivered tangible improvements. They have also laid the foundations for a different relationship between patients and healthcare teams, which is an extremely positive development.

Supporting patients

We have an ambition to move from a health service that does things to, and for, its patients to one where the service works with patients to support them with their health needs. Experience-based design is a powerful tool to help us get there.

For more information visit institute.nhs.uk

Dr Lynne Maher is head of innovation practice, NHS Institute for Innovation and Improvement. She is a trained nurse who has also held a variety of operational management posts across acute care where she quickly developed a keen interest in improving the patient's experience of health services. She was national director of the first national health care improvement programme in England which involved over 350 separate projects and trained around 5,000 staff in improvement tools and techniques. She now leads on the field

of innovation, exploring the practical application of new processes, methods, tools and techniques within the NHS to achieve transformational change for health services. She is an honorary fellow to the Health Management Centre at Birmingham University and she advises and participates in programmes of work undertaken by National Endowment of Science, Technology and the Arts (NESTA) and the Design Council

Where the biggest opinion formers go public

Every month, **Public** carries interviews with the people who shape the public sector. We keep a close eye on the movers and shakers, keeping you up to date with their decisions and how they will affect you. It's just one way you can stay a step ahead with **Public** - the only magazine that covers every aspect of the public sector. **Apply now for your free subscription at guardian.co.uk/public/apply**



Public
the guardian

The role of central government



by Ian Watmore, permanent secretary for the Department for Innovation, Universities and Skills

Unlocking innovation...

I was delighted to take on the role of permanent secretary of the Department for Innovation, Universities and Skills (DIUS), as it presented an opportunity to build a new department and to try and break the mould of how a government department should operate but also feel.

The role of DIUS is simple - to unlock innovation and talent in Britain. It is only through fresh thinking and doing things differently that we will meet the challenges that climate change, globalisation and sustainability present while also prospering from the opportunities.

Having a department for innovation was a first for the UK government, so an early challenge was to look beyond our departmental boundaries and hold an open, online conversation to develop a fresh vision for innovation. We published our new white paper, *Innovation Nation*, in March 2008. At the heart of the new strategy is a commitment to make Britain the best place to be an innovator across all sectors - private, third and public.

The role of government is in unlocking innovation by supporting the right

conditions through supply and demand interventions but also by encouraging others by our own actions and through our own commitment to driving improvement.

In particular we can have a major impact through the technologies, goods and services we purchase and commission. The government is the UK's biggest customer and spends £160 billion a year on procurement. That's 55% of all UK spending on IT and roughly a third of all spending on construction. This is significant purchasing power and a real opportunity to stimulate innovation and act as a lead market, pulling innovative goods and services through from businesses.

We are working with government departments to support them in developing innovation procurement plans as part of their commercial strategies, setting out how they will drive innovation through procurement and use innovative procurement practices.

Supporting innovation at the front line

Central government also has a massive impact on whether service providers and professionals such as nurses, teachers and the police are able to innovate in

response to the needs of the public – to deliver better education, health and other services.

The expectations of the public are rising and they now expect more intelligent services that are responsive to their personal needs and circumstances. A reliance on targets in the public sector though can restrict innovation while the public sector culture of risk aversion can dissuade anyone from even trying to do something different.

As Woody Allen put it – “If you're not failing every now and then it's a sign you're not doing anything very innovative”. In Innovation Nation we are committed to working with a range of organisations to support public service innovators. Key to all this is building a better understanding in Whitehall for what central government can do to support innovation.

We have set up a Whitehall hub for innovation which will improve capability in central government for enabling innovation, while NESTA (National Endowment for Science, Technology and the Arts) are launching a Public Services Innovation Lab in January 2009 to provide venture capital and support for public service innovators.

And, of course, the Design Council's programme for public sector managers, 'Public Services by Design', will be an important source of support towards designing better public services. I'm a great believer in the phrase 'physician heal thyself' so I have asked the Design Council to re-design the DIUS's reception area.

Innovation by name, innovation by nature...

Central government must also be in-

novative itself. The civil service has changed dramatically over the past decade and will continue to do so as we are faced by new challenges such as greening Whitehall, a challenging fiscal climate and new policy and delivery priorities.

As the department for innovation, DIUS clearly has to be pushing the envelope in this respect. I have developed a blueprint for the DIUS which sets out our vision to be a small strategic department, fleet of foot and delivering through our extended family. Innovation is a key component of the blueprint and my ambition is to embed it within the DNA of the department.

A move to hot-desking has been one of our early successes. As Sir Gus O'Donnell said “Work is what you do, not a place you go. The next generation of workforce will know that and be ready and able to work anywhere”. I am the first permanent secretary in Whitehall to hot desk and I am convinced that the benefits transcend cost savings. It provides a real opportunity to break out of working silos and a chance to meet a greater number of colleagues.

Meeting different people and experiencing different cultures can often provide the creative spark that ignites innovation. That's why in our skills strategy we are encouraging secondments and short-term loans both inwards and outwards. One member of staff arranged a one-month loan to British Council Japan and we are also taking on staff from our delivery partners for short-term projects.

Indeed, there is a noticeable shift across central government in how we deploy our people. In DIUS, we have

introduced a policy pool so that we can focus our very best policy people on where they are needed, when they are needed. We have also set up an Innovation Forum where we can trial and test innovative approaches to developing policy.

I think that some of the most intriguing opportunities for central government are how we connect with customers and stakeholders. New social media, such as Facebook, YouTube and blogs can help us to connect to wider audiences and to transform the way in which we both develop and deliver policy. I'm proud to say that DIUS has a community manager - a first for Whitehall.

Exciting times

I think that these are exciting times and I'm encouraged by some of the fresh thinking I see in other departments across Whitehall. There is a sense of a real groundswell developing and the opportunity to develop a more innovative public sector culture, focussed on the needs of service users and working beyond organisational boundaries.

Ian Watmore is the permanent secretary for the Department for Innovation, Universities and Skills. Prior to that, he was in the Cabinet Office where he was the head of the Prime Minister's Delivery Unit, the government's chief information officer, and the first head of the government information technology profession.

He joined the Civil Service in September 2004 after a 24-year business career in IT, culminating as Accenture's UK managing director from 2000 to 2004. He is on the board of the English Institute for Sport which provides sports science and sports medicine to Olympic and elite athletes

Public servants – by design



by Tim Brown, chief executive and president, IDEO

Bring employees along in the creative process, and you'll find innovation everywhere

When Sir Michael Lyons, chairman of the BBC Trust, talked before the Royal Television Society in November 2008, he pointed to the "intangibles" that mark a successful modern economy: innovation, imagination and creativity. There's little doubt that leaders throughout the world look to these elements in hopes of differentiation and competitive advantage. Yet, the path to implementing them – and then quickening their pace and effectiveness – is rarely clear. In fact, it can be downright bumpy. Through my work as CEO at IDEO, I've come to find that "design thinking", a discipline which melds the sensibility and methods of a designer to people's real-world needs, leads the way to customer value and market opportunity. Of course, there's a catch. For this approach to work, an organisation's leaders must expand out the traditional definition of "designer" to include all of their employees, from the backroom accountant to the clerk behind the counter. Both business and public sector managers need to encourage every

worker to become a design thinker who reaches out to customers for inspiration. In other words, innovation in an organisation needs to be everywhere – yes, everywhere – not sequestered away in some lofty R&D turret.

Become a design thinker

Fortunately, many of the world's organisations provide us with glimpses of the ever-present design thinker: the eternal observer looking for ways to help others. At the BBC, for instance, this role has been expanding for the past 10 years. The BBC first came to IDEO's London office in 1998, when managers there wanted to explore the future of digital radio. Nine prototypes led to a portable device made by a European telecommunications company. Since then, I've watched the BBC move on its own to the fore of getting out into the world and using real customers in real situations as the inspiration for new ideas. Through its Innovation Labs, the BBC leads a series of creative workshops for interdisciplinary teams of professional technologists, application designers, software developers and interactive media designers wanting to submit projects for

possible commission. They also run BBC Backstage, a pilot for open innovation that encourages "people both inside and outside the BBC to share knowledge, ideas and prototypes with each other". The BBC is laying the breadcrumbs for creating community-led innovation that will better both the organisation and their viewers' experience. None of this is part of an effort to generate the next great marketing meme. Rather, thought leaders at the BBC are looking to make all employees and customers design thinkers. In other words, they're after people who share in creating, adapting and growing the organisation's continual wave of great ideas through innovation activities at every stage of the product-building process.

Certainly, this isn't easy, and as managers in the public sector well know, our work includes special challenges, such as issues of scale and legacy. Still, it's helpful to channel companies with leaders who embed themselves in the daily lives of both their staffs and customers while using design thinking - whether or not they'd call it that - to generate meaningful change. Consider Virgin's Richard Branson jetting around the world with a notebook in hand, taking comments from employees and fellow passengers. Each trip leads to 20 to 50 "little suggestions" for changes at the company. There's also Tesco's David Potts, director of retail operations, who tells staff and management "to do what they believe is right so long as it's responding to customers". David also promotes Tesco's "Customer Plan", a

short list of prioritised actions designed for major change. As David pointed out in Smith and Milligan's 2002 book *Uncommon Practice*, Tesco's "business strategy more or less lives or dies by the Customer Plan".

Ask questions

Of course, there's plenty to learn from the customers of the public sector, and let's be honest, services from this sector typically touch people's lives in far more important ways than a cell phone or a television does. Design thinking can remind public servants to ask the obvious: What's it like to check in to a hospital, call the police or collect the dole? These questions are a great start for unlocking innovation by using design tools, such as observation and storytelling. Over the years and through IDEO's product design heritage, I've come to distill design thinking down into three key steps, a daily mantra of sorts:

- Inspire.
- Prototype.
- Execute.

When it comes to looking for inspiration, there's no better place to start than with customers in real situations, struggling with real problems and questions. Public servants need to get out of the confines of their workspace and learn to recognise customers' needs. They need to engage with local authorities, customers and staff to harness design thinking for innovation. As Richard Branson and his notebook show us, a few hours in the trenches will lead to a lot of ideas, and here's where smart prototyping comes in.

Prototype early and often

First, lose the notion that prototyping is an art form, that it's some precious process. It's not. Give prototypes only as much time, effort and investment as needed to produce useful feedback and to evolve an idea. Never expect prototypes to be pretty, and never assume they're something to be held in one's hands or tossed across a room. Four Seasons Hotels and Resorts teaches all of its employees improvisational skills. While even I have a tough time imagining the British bobby as an improv actor, I think the point is obvious. The product of the public sector is often services, and even those need to be prototyped (and videotaped) in order to solve for customer needs. How does a customer journey look from start to finish? How should one map out, or prototype, that experience? What surprises emerge? As Ossie Hopkins pointed out in SFI's July 2008 pamphlet *Innovation Through People*: "innovation – if inspired and encouraged – can emerge from anywhere in an organisation".

Inspire from the inside out

Execution is where things can fall apart or simply limp along. That's because organisations often consider it the end game, when it's really only half-time. Managers need to look for supporting roles, or ways to help organisational change break through to the customer. Technology is an obvious example. When rethinking its nurse-shift experience, the large US healthcare provider

Kaiser Permanente introduced a new electronic medical records system to streamline the process. By the end of the experience, one nurse found herself "an hour ahead", after having been at work for only 45 minutes. Execution doesn't stop there; rather, it adapts and evolves. For Kaiser, the next step was creating the Garfield Innovation Center, which acts as a design-thinking consultancy to the entire organisation. By doing this, Kaiser plans to avoid the trap of incrementalism, where everyone at an organisation spots all the easy, obvious elements but misses the truly big ideas, and the lesson is clear. Engage everyone at your organisation in design thinking, and you'll inspire from the inside out. You'll own those big ideas, and the public – your customers – will join the process. They might even thank you one day.

Tim Brown is the CEO and president of IDEO, a global innovation and design firm with offices in eight locations: London, San Francisco, Palo Alto, Chicago, Boston, New York City, Munich, and Shanghai. His designs have won numerous awards and been exhibited at the Design Museum in London, the Museum of Modern Art in New York, and the Axis Gallery in Tokyo. He regularly writes about design thinking at designthinking.ideo.com

Social care: what will work in the future?



by Julie Jones, chief executive, Social Care Institute for Excellence

Innovation in social care is nothing new. There is no shortage of examples of genuinely new policies and practice over the last few years, from assessment and care management in the 1990s through to personalisation and individual budgets. Social care is frequently cited as a trailblazer for public service reform and innovation, for example in the government's recent framework for the next stage of reform (Cabinet Office, 2008). Some of these have been local, self-generated ideas that have been "pulled" up and across the social care system in a bottom-up way, for example direct payments, where people are given public money to purchase their own care. Others have been "pushed" in a top-down way through national policies, for example assistive technology and extra care housing. Some combine elements of both.

Despite this impressive catalogue of change, a succession of inspection and other reports shows that the kind of services experienced by the majority of users has changed very little; they are most likely to be offered traditional services with limited choice or control. Much of the innovation in the social care sector has been incremental rather than radical.

Achieving real change

Faced with the demands of an aging population, the higher aspirations of the baby-boomer generation and a deteriorating economic climate, the social care system has no choice but to innovate. "More of the same" is unlikely to offer new solutions to the kind of support and care people want, how this is provided and, crucially, how its cost is apportioned across individuals, families, the taxpayer and civil society.

In 2007, the government launched a major programme of transformational change for social care. Two features of this programme were highly innovative. The first was that it was heralded through a groundbreaking concordat - Putting People First - in which six government departments, local government, the professional leadership of adult social care and the NHS signed-up to the most radical programme of change since 1948. The second feature is that, in its own words: "It seeks to be the first public service reform programme which is co-produced, co-developed, co-evaluated and recognises that real change will only be achieved through the participation of users and

carers at every stage. It recognises that sustainable and meaningful change depends significantly on our capacity to empower people who use services and to win the hearts and minds of all stakeholders', especially front line staff" (HM Government, 2007).

The concordat assigns to the Social Care Institute for Excellence (SCIE) responsibility for promoting, identifying and disseminating best practice and innovation, acting as a catalyst for system-wide transformation.

Barriers to innovation

Achieving innovation in social care is, however, not straightforward:

- Innovation by its very nature will mean that some new ideas will not work. In high profile, publicly funded and accountable services, doing something that has never been done before carries risks – financial, reputational, and in many cases to people's lives and safety. Accepting the possibility of failure and managing its consequences is not part of the cultural DNA of many public services. So we tend to hear only of the innovations that work – or at least can claim a sufficient degree of success.

- The question of "what works" is itself problematic. In public services, judgements about whether a new idea or policy "works" are contested through different values, political views or stakeholder interests. Where there is objective evidence (for example an independent evaluation), it can be interpreted and used in different ways. Highly successful innovations, such as direct payments, have struggled to become mainstream practice;

- Cultural antipathy in public services

towards risk-taking is reinforced by the nature of performance management regimes which generally find it easier to assess traditional service performance rather than encourage experimentation. It begs the question of where do incentives to innovate come from, in the absence of private sector yardsticks like profit or market share. What are the metrics for innovation?

- Public services promote innovation through heavy reliance on improvement spread and top-down dissemination (for example national guidance and toolkits). But simply exhorting everyone to copy the latest bright ideas – imitation as innovation – ignores the fact that every local area has different needs. Sometimes innovation is about making old ideas work – or combining them in unusual ways – not coming up with endless new initiatives or continuously seeking the next "big idea". In public services, it may be that we need a concept of "re-innovation" (reapplying existing ideas in new ways in different places), as well as innovation (the first use of a new idea).

- A further tension is that flourishing local innovation will inevitably produce variations in service across the country – the risk of the postcode lottery. A thousand flowers will not always bloom everywhere. How much inconsistency and risk of failure are people prepared to accept in return for local services that are striving to meet their needs in novel ways?

- A final issue in the public services is that corporate memory about what has been tried in the past, and to what effect, is diluted or lost altogether because of reorganisation and changes of leadership. At the level of the individual

council, care home or other service unit, there is usually no system of knowledge management to capture this learning. This offers one possible explanation for the failure of the community care reforms in the 1990s to transform social care services.

Breaking down the barriers

So how can SCIE help organisations address these challenges and deliver effective, affordable and sustainable innovation and change in social care services? We have begun to do three important things:

1. We are producing practical material that will help frontline services translate the rhetoric of policy into the reality of better outcomes for people. For example we have a "rough guide" to personalisation about to be published, and a follow-up series of specialist briefings for different audiences within the sector.

2. We are strengthening the evidence-base for change. We are rapidly absorbing lessons from prototypes and pilots, the experiences of early implementers and emerging research findings, and making this accessible to the sector. This means a different approach focusing not just on what works now, or has worked in the past, but what will work in the future.

3. We are developing new collaborative relationships that draw on the expertise of design and innovation specialists from outside the sector. The

Design Council's "Public Services by Design" initiative for example offers a potential template for public services.

References

Cabinet Office (2008), Excellence and Fairness: Achieving World Class Public Services (London)

HM Government (2007), Putting People First: A Shared Vision and Commitment to the Transformation of Adult Social Care (London)

Julie Jones has been chief executive of SCIE since July 2007. She was deputy chief executive and director of children's services at Westminster City Council. During her 25 years at Westminster she held various roles including director of social services. In 2003 she was awarded an OBE for services to social care in London

Designs on the future



by Katherine Kerswell, chief executive of Northamptonshire County Council

The government has encouraged the Design Council to engage with local government in the re-design of council services - why? Design considerations are at the heart of the future of public services. But, ironically, "design" has an image problem.

When I began to draft this article my thoughts turned to white leather sofas and chrome! About the case for an "Elle magazine guide to local government services" this autumn. But design is more than just look and feel; at the most basic level it is about how function fits with form.

What lessons can we draw from designing a product that helps us design a public service? Is service innovation just about having a good idea or is it about a fundamental refashioning of the whole offer of that service to its customers and users?

Is designing a product the same as designing a public service?

The fact that the government has asked the Design Council to have this debate with local government is very useful. If you consider our recent journey through "E" government and now "T" government - even with the new

opportunities that digitalisation offered us - many of our services are still locked into old design thinking with fixed costs, wasteful methods and emotionally charged instruments of delivery. All of which make introducing new design approaches quite fraught.

We think we are good at redesigning services and that we are great at generating new ideas. But very few of these good ideas are about fundamental changes to the design of our services.

Design options

In the case of private goods, particular designs may be successful because a "standard" has developed (qwerty keyboards), or simply because a design became the first to get to the market. However, when it comes to delivering public service, we offer all our services on a variation of three simple design options:

- We come to you.
- You come to us.
- You do it yourself.

The costs of our services are locked into whichever one of these options is used. Many services have been fixed in this way for decades, with all the fixed

finances and tied emotions that make change and redesign so difficult.

When considering redesign of services we need to keep two perspectives in mind. First, the perspective of our customers. Second, bear in mind that design structures cost. Different designs for the same type of service will produce dramatically different cost bases and cost drivers.

Borders or Amazon?

Consider the design of the businesses of Borders or Amazon. Both of these companies sell books. But their design choices are very different and Amazon has worked the new value chains that technology has given us to great effect. The option between the two companies is basically - "you come to us" (Borders) or "we come to you" (Amazon). The cost base of each of these companies is completely inter-woven with their service design. Do they have a presence in the high street or do they simply warehouse books and have an internet presence? Have those of us working in councils ever really considered our policy instruments, such as libraries, in such a fundamental way and challenged our designs and our cost drivers?

The future of design - its real value...

The only example I see of a real fundamental redesign and sense of innovation is coming from the social care movement. Social care is at the forefront of service redesign. Our social care service at Northamptonshire County Council is fully engaged in the self-directed

care programme. Practice has altered dramatically - indeed, the practice that is now proposed was actually illegal 10 years ago! The pioneers of this approach; for they are worthy of that title, really thought completely against all the prevailing attitudes of social care at the time - both those captured in law and all the practice of the profession.

The outcomes of this redesign appear to be truly liberating. It is not a case of "we come to you" or "you come to us". It is more, "you can completely decide for yourself". It is a fundamental challenge to a great deal of social care practice gathered over many years that is based upon very caring but sometimes very disempowering principles. Many of our staff are wrestling between supporting people to take on their own care decisions and dealing with their concerns for people's safety and wellbeing.

In the case of this service, there is very little fancy design here, very little flash technology. But the outcomes have been life changing as people have confronted the whole service policy design at its core.

I have listened to and spoken with people who have gone through the programme. It has resulted in a married couple with learning disabilities now being able to live like any other married couple in their own house.

The most profound lesson for me was listening to a man with very severe physical disabilities who had had to live in residential accommodation for nearly all of his adult life. He said, "I turned 50 last week and its only since I

had self-directed care a few weeks ago that I have started living. All of my life I have had to respond to other people. Now they respond to me when I want them to”.

These testimonies point to such power in the redesign of the service, and such amazing benefits. And yet in many cases this service is now provided at a lower overall cost. So this newly-designed service is more economic, more efficient and more effective than the old design – but it is so much more than that.

We are very privileged in local government that we not only deliver services but what we deliver can change lives and communities.

When design is thought about in such different ways that it really brings benefits such as these then you can keep the chrome, the white leather, and Elle magazine – these outcomes are what great service redesign is all about.

Katherine Kerswell is chief executive of Northamptonshire County Council, a non-executive director of the Department for Children, Schools and Families and senior vice-president of SOLACE. She has worked in local government for 21 years and her career has included chief executive at Solihull Metropolitan Council, borough director at Redditch Borough Council, the London Borough of Merton and Leicester City Council

Transforming public services



by John Thackara, director, Doors of Perception

Putting people first

Policy-makers often complain that it is hard to mobilise people around the public services and sustainability agenda. And they're right: telling people what to do seldom works. A more promising approach is to start with existing grassroots activity and then to create frameworks that enable these actions to develop.

This was the approach that we took with Designs of the time (Dott 07) in north-east England. A national initiative of the Design Council, with the regional development agency One NorthEast (ONE), Dott 07 was the first in a 10-year programme to improve people's lives using design. Dott 07 involved a programme of community innovation projects that focused on public and community services, events and exhibitions.

Dott put people at the centre of the redesign of public services and the role of the designer was to facilitate collaborative activity among larger groups of people - not to dream up blue-sky solutions from scratch.

How we designed together

Dott developed a methodology for co-designing solutions:

- In Phase 1, which we called the "Diagnose" phase, our team scopes the project and diagnoses the nature of the opportunity. This involves designers talking to and working with communities to understand a global issue in its local setting and to ensure that they understand the problem not the symptoms. Here, designers use research techniques such as interviewing and observing people.

- Phase 2 of Dott 07, "Co-discover", the research goes deeper than in Diagnose. Designers develop bespoke methods and tools (including anthropological and ethnographical techniques) appropriate to the project to ensure a high -level of participation and ensure understanding of community drivers and the local relationship to the specific issue.

- In phase 3, "Co-Design", people are brought together to design and test new ideas. Ideas are informed by the insights gained in the first two stages and are locally focused ensuring a high level of community ownership and involvement.

- In phase 4, "Co-develop", the ideas and solutions are prototyped and communicated by the designers to the community through visualising the solution



Pupils pore over the details at Scremerston First School

or developing mock-ups. This ensures that the community understands what is being suggested and enables the designers to gain a sense of how people might respond to, understand and use aspects of the new service.

- Phase 5, the solutions are delivered. As the new solutions are created and tested by the users, the services created are sustainable and value for money.

Getting the community moving

In a Dott O7 community innovation project called "Move Me", we commissioned a design firm to create a car-share scheme for Scremerston First School, located three miles from Berwick in Northumberland. This was a small school, but it functioned as a busy transport hub for 42 children, 34 families and 10 members of staff including full and part-time teachers, cleaning, catering and janitorial staff.

In policy terms, the project looked at transport intensity, rural access and resource efficiency. In Dott terms, Move Me involved the exploration of practical ways to improve daily life for one community, in one place, and the co-design

of a reliable and sustainable transport service. The aim was to improve access without adding more cars or building new roads. The design team investigated the community's varied transport needs, including unmet ones, and proposed how these needs could be better served by combining existing services in smarter ways, rather than develop new high-tech solutions. It seemed that many difficulties were encountered by parents, teachers and children when they tried to get from A to B.

To further understand the challenges encountered by the community, the designers went back to the school carrying "travel activity packs" that contained paper and pencils. These packs were handed out to pupils who were asked to perform short diary-making tasks with the help of their parents on such topics as, "Me and my family - tell us about you and who you live with".

A number of common challenges were identified: infrequency of buses; the inflexibility of the current school bus run; the expense of taxis; confusing public transport timetables, as well as a huge variety of individual hassles that

constrained access to SureStart classes, dental/medical appointments, shops and the library in the nearby town of Berwick. This one small school, it emerged, was the hub of an extremely complex mobility ecology. How could we possibly design a service to meet all these different needs?

The answer was, we couldn't – or at least, not in the sense that one might design a chair. It would have made no sense for the designers to pore over survey results in a studio and try to design the perfect service, and then take it back to the school. On the contrary, the designers carried on working with the school community to develop ideas and prioritise which solutions they would work on further.

Working together means co-creation

Two actions resulted from this phase of Move Me. Firstly, the team worked with a local bus provider, Arriva, to improve access to existing bus services by re-designing the timetable that was displayed on a pole outside the school gate.

Secondly, the school community also committed to set up a car-sharing scheme. At this point the etiquette of lift-sharing emerged as an important social issue. Parents did not like the idea of their children taking lifts to school with strangers. In Scremerston this was not a problem as the pre-existing social 'glue' – parents already knowing each other well – answered questions about safety and security

that would have been hard or impractical to answer using more formal approaches.

This led the designers to question how to scale-up a trust-based service. The Move Me team kept things personal. They presented the scheme to community leaders in adjacent projects such as SureStart, and several community centres in Berwick, to grow the service.

Special effects

The value created in the project did not reside in its special effects: it resided in the fact that a community had been helped to become co-producers of a resource-efficient public service based on the use of assets that for the most part were pre-existing.

Design created value in Dott 07 projects by discovering and enabling assets that already existed – for the most part in the form of people, their capabilities, and their connections.

We learned in Dott 07 that connecting people to new people, and helping them learn from each other's other experience, is itself a form of innovation.

With its high public profile and over 223,000 participants, Dott 07 demonstrated in practice that design can be an agency of transformational change. A strong aspect of the Dott legacy is that many projects are carrying on into a new phase after Dott itself has left.

John Thackara is director of Doors of Perception

REGISTER NOW

societyguardian.co.uk

Care for older people conference 2008

Where are the good places to grow old?

Monday December 8 2008

Guoman Tower Hotel, London

A one-day conference to explore how we can build communities to support an ageing population

Maggie Ioannou

Director of community health services, Croydon NHS PCT

Michael O'Higgins

Chair, Audit Commission

Guy Robertson

POPP lead, Department of Health

Nigel Waterson MP

Shadow minister for work and pensions, and
Conservative party spokesman for older people

guardian.co.uk/careconference

Sponsors





Better by design

by Ged Fitzgerald, chief executive, Lancashire County Council

Poor design isn't just aesthetically unpleasant, it has practical consequences. Poorly designed public buildings can be expensive to run, hard to maintain and unsustainable.

Conversely, in the same way that poorly designed public spaces can drive up crime by leaving unlit corners and unseen spaces, good design can make people feel safer and happier and can actively improve how services operate.

Similarly, innovation in how we deliver services can dramatically improve our residents' experience of those services. By focusing on how, when and where people want to access our services, we can radically reshape how those services are designed.

'Building Schools for the Future'

Building Schools for the Future is the government's programme to renew or refurbish every secondary school in England and it is probably the biggest transformation project taking place in England today. In Lancashire alone it is worth £250 million in the first wave and more than £1 billion in total.

Implementing this first wave of 14 schools across nine sites has demon-

strated the vital importance of design. Involving young people, partners and the community in the physical and service design process has been the key to ensuring delivery at the heart of local communities.

The Building Schools for the Future programme in east Lancashire has been a once-in-a-generation opportunity to create world-class facilities in Burnley and Pendle. Working with a private sector partner, Catalyst Lend Lease, seven schools have recently been opened and these were designed and built to meet the long-term needs and aspirations of students, their teachers and the communities they serve.

The stylish, spacious and energy-efficient buildings are equipped with the latest teaching resources and ICT, coupled with extensive sports facilities. New civic amenities include a public library, children's centre and a faith centre.

Consultation works

The new sites have been designed and created as a result of extensive consultation with the people who will use them. Design festivals were held, bringing to-



Clockwise, from top: Shuttleworth College; Burnley Campus central rotunda; Shuttleworth shared toilet area; Pendle Vale atrium

gether students, teachers and governors with architects and design consultants. A MySpace site set up to communicate about the project with local young people now boasts more than 700 friends. Local people had many opportunities to shape the look of the projects and the services that they can access.

The results of this consultative approach have been profound. For example, the design of the new schools reduces opportunities for bullying and other forms of anti-social behaviour. Shuttleworth College in Padiham, an 11-16 secondary school, has open-plan shared toilet areas, near to staff rooms, broad circulation spaces and communal public areas where students are encouraged to relax between lessons.

Less prosaically, Shuttleworth College also enjoys a stunning floor-to-ceiling atrium that provides a central focus to the building. With theatre-style seating that rolls away at the touch of a button, the atrium provides an inspirational multi-use central space that pulls the whole building together. Shuttleworth's other facilities include a dance studio, sports hall, fitness room, tennis courts and all-weather sports pitches - all these facilities will be open to the local community.

Sustainability

Creative design means that these buildings set new standards in sustainability. The new schools use renewable energy from solar and photovoltaic panels;

they have large windows to make the most of natural light and gather rain-water from the roofs to be recycled.

A terrific example of the role this project plays in stimulating the local economy is that the schools are powered by bio-mass boilers, fuelled by wood chips from Lancashire's forests. Bowland Bioenergy, a Lancashire company which sources the woodchips from sustainable sources in local forests, has now been contacted by more than 20 other schools in the north-west, expressing interest in this low-carbon form of energy.

Local landmark

In Nelson, two schools, the 11-16 Pendle Vale College, and the 11-19 Pendle Community High School and College, for pupils with special educational needs, have been brought together under one roof, achieving greater inclusion for all learners. A sloping site has been used to create a new local landmark with a building that rises in tiers to four storeys, capped by a sweeping, wave-like roofline. Internally, the four floors are linked by an enormous swooping atrium that forms the heart of the learning community. Sports pitches and indoor sports facilities, enhanced with £1.6 million Big Lottery Funding, reflect the schools' aims to achieve specialist status in able and disabled sport, and will be open to the local community.

The largest of these three sites to

open, costing £31 million to build, is the Burnley Campus. The Campus exemplifies a new approach to service delivery, containing a sixth form, a primary school, a primary special school, a nursery school, a children's centre, a faith centre, conference facilities and a public library, accessed through a large central rotunda. Local people can also make use of the Campus's coffee bar, all-weather sports pitches, fitness centre, climbing wall, sports hall and hydrotherapy pool.

The three sites now open are just the start of a new way of delivering public services. For too long schools – often the largest public buildings in their communities – have sat empty for large parts of the year. Older school buildings have often not been easily adapted to wider public use.

World-class design

Building Schools for the Future has given us the chance to use world-class design to transform not just the educational experience of generations of children, but also to lever in other agencies to enable the development of thriving, more prosperous communities. We're not quite there yet but we've made a great start and will grasp the opportunity with both hands.

Ged Fitzgerald is chief executive of Lancashire County Council, the fourth largest local authority in the country. He joined Lancashire earlier this year after four years as chief executive of four-star rated Sunderland City Council. He has held senior roles in a number of authorities and has particular interests in customer focus, cultural change, regeneration and partnership working

A hotbed of creativity



by Andrea Siodmok, chief design officer, Design Council

The defining characteristic of designers, it has been said, is that they are eternally optimistic but continually dissatisfied. As such there is something of the designer in all of us. In fact the act of "designing" is something inherently human. Whatever you call it, to conceive, plan, draw out, or devise a course of action aimed at changing an existing situation to a preferred one is universal.

In the UK we are good at design. Many global firms see Britain as a multicultural hotbed of creative talent. Indeed, our creativity and inventiveness, nurtured through our world-class institutions, have generated some of the world's best and most loved designers. Jonathan Ive, the UK's best known industrial designer who transformed Apple computers and gave the world the universally used and widely adored iPod, is just one; Tim Brown, pioneer of design innovation and CEO of the design consultancy IDEO, another.

We are surrounded by design. It is ubiquitous in the products and services, graphics and communications, buildings and environments we experience every day. Typically design becomes more visible when it fails - we are acutely aware

of what happens when design goes wrong or hasn't been given sufficient prominence in the process: badly laid out forms, unsafe or breakable products, depressing environments and inflexible services that don't deliver. While it would be an overstatement to suggest that design or designers possess the panacea for the world's ills, the practical capacity for designers to create more desirable futures should not be underestimated.

What is the emerging role of design in the public sector?

The heavy investment in public services in the past decade in the UK has led to widespread improvements. But without fundamental service transformation in many areas this could mask a more urgent need for change. We have also seen a general rise in disillusionment as societies and countries are collectively worrying about increasing levels of terrorism, pollution, social conflict and the co-dependency of international financial markets. Individuals are concerned with issues such as health, ageing, unemployment, crime rates and family breakdown. Against this backdrop there is a growing

pressure on the public sector to deliver "more for less". As increased demand meets tighter and more efficient public spending, current models will be tested to the limit. This makes innovation an imperative, where new ideas will need to be effectively developed, prototyped, tested and implemented. This, coupled with the demand for personalised and more flexible user-centred services, will place greater pressures on many public sector organisations that up until now have been systemically configured around the provider rather than the end-user or customer.

The good news is that there are many examples of successful design and innovation in the public sector. The Oyster card, developed in part to combat fraud which was estimated to be £43 million per year, has brought great convenience to over 6 million customers as well as providing savings and service efficiency for Transport for London.

Similarly, the Passport Agency transformed a failing service through a total service re-design. In 1999 the agency was reported to have spent £16,000 to provide umbrellas for queues of rain-soaked applicants while an estimated 3.5 million calls went unanswered. Productivity was low due to the implementation of new computer systems. All at a time when they were also under immense pressure from increased demand following the introduction of children's passports. Today, a service re-design has resulted in 90% of customer calls being answered within 20 seconds and application waiting times down from a 51-day high in 1991 to an average of six days throughout 2003-2006 (DCM4, summer 2008).

There is a growing body of evidence to show intelligent design thinking early in the process can have a significant impact on the unforeseen consequences of an existing or future service. Eighty percent of the impact of any product or service is determined during the concept and design phase. Design can help tackle social problems, such as the 50% reduction in car crime as a result of central door locking, or the 30% decrease in household burglaries through intelligent consideration of criminal intent in the creation of the architectural brief.

New design thinking for new problems

The design industry has evolved to meet the new and emerging needs of clients and society. In the past 10 years we have seen design practice change in a number of significant ways. First, the introduction of multi-disciplinary teams has brought new professional voices to design problems including economists, engineers, scientists and sociologists to name a few. Today design is inherently inter-disciplinary and collaborative, where innovations are being found at the intersections between the boundaries of individual professional expertise. In addition to this there has been a growing participation by a range of different contributors to the process. In the old industrial model the world was divided into producers and consumers, but we are now seeing many examples of co-design in the private and public sector. This involves designers encouraging, facilitating and directing the development of ideas through the involvement of end-users, front-line workers, stakeholders and clients. At the Head and Neck Cancer Service at Luton





Left, and above: Re-design of Heathrow Terminal Three by Virgin Atlantic



Above: Co-design sessions at Luton and Dunstable Hospital using 'Experience based design techniques'

and Dunstable Hospital NHS Trust service designers worked with patients and staff to identify and co-develop almost 40 service improvements that have brought tangible benefits to all concerned. Some seemingly minor changes, such as moving patient weighing scales out of public view in the out-patient clinic, made a huge difference to patients' sense of wellbeing.

Knowledge networks

Second, innovation has moved beyond the hard-and-fast boundaries of corporations, professions and institutions to involve the creativity, knowledge networks, resources and imagination of society as a whole. Wikipedia and other web 2.0 models are often cited as examples of successful co-creation. In design this kind of approach has been used to develop and deliver everything from new rural transport solutions to innovative sexual health services.

Third, new markets are opening up for design. In response to a growing prominence of services in the UK economy and the growing demand for design thinking from the public sector, new types of design consultancies have been set up that specialise in service development. Companies, such as Livework, Engine and Thinkpublic, have developed many of the service design examples in this article. These consultancies are working with large corporate and public sector clients to bring new innovations into reality by

creating a total approach to developing new services, products, communications, systems and environments. When Virgin Atlantic recently redeveloped Heathrow's terminal three, in addition to the architects Foster + Partners, they used service designers Engine to develop the optimum user journey from check-in to departure. For first class passengers this has typically meant an eight-minute transit time from leaving their limo to arriving at the Clubhouse.

Finally, there is a new understanding about the transferability of design knowledge, techniques and tools as a process for delivering innovation. Working increasingly in partnership, designers are devising new ways to pass on their know-how, enabling their clients to become more creative by themselves. The Social Innovation Lab (SILK) at Kent County Council is one example where a creative approach is being brought to tackling a range of strategic problems. The expressed intent here is to "build the capacity and skills of staff across the council – and indeed its partners – to focus on citizens and experiences, rather than services and organisations, when developing strategy and implementation plans".

Global community

And so we find ourselves seeking a deeper transformation in the way we organise and build our society. We face a choice about the future we

want to create and live within and who should be entrusted with envisioning, contributing and ultimately delivering that future. From the invention of the modern concept of the designer as an agent for change in the industrial era, to the demands of an ever-changing, interconnected global community, our needs for design and creativity have evolved. Designers are increasingly directing their talents to new problems, bringing professional creativity to the biggest and most important challenges of our times. As we acknowledge that the unprecedented demands facing public services cannot be met by increased funding alone, it seems right to look to those dissatisfied optimists for new approaches that will help deliver the innovative solutions we need.

Dr Andrea Siodmok is chief design officer at the Design Council developing new design thinking and strategies to support innovation in public services. A first class honours graduate in Industrial Design, she has a PhD in design and is a Fellow of the Royal Society of Arts and a visiting fellow at the University of Northumbria. As a designer her work has been featured in Design Week, Revolution and The Telegraph

From best practice to next practice



by Lucy de Groot, executive director, Improvement and Development Agency

The need to innovate

Let us begin with an empirical truth, local government is a high-achieving sector. As the most recent performance data from the Audit Commission testifies, local government is firmly in the vanguard of continuous public service improvement (Audit Commission, 2008). You might be mistaken in thinking therefore that being the most effective and efficient part of the public sector, local government could afford the luxury of resting on its laurels? Nothing could be further from the truth.

Challenges faced by communities are well-rehearsed, yet rapidly evolving. There's the credit crunch and climate change along with seemingly intractable social problems, which range from an ageing population, health inequalities, obesity and youth crime. For local authorities, this is compounded by the drive for greater efficiencies and personalisation, accompanied by higher expectations from citizens. Added to this is the fact that satisfaction in local services remains stubbornly low, as does participation, trust and engagement.

Such problems will require innovative thinking. People want ever-improving

performance in the 700 services that local authorities provide. And recent research on this matter suggests that there is a close correlation between performance improvement and service innovation (Andrews, R et al., 2008). To meet such service challenges, within the emerging context of new performance management arrangements and renewed focus on partnership working, local authorities will need to orchestrate a paradigm shift. What is required is a move beyond best practice to the delivery of next practice.

Innovation in local government: past and present

Local government can and does innovate. A pity, then, that the perception of innovation in local government is so different. Has it only a limited capacity for originality, or is it just an image problem? It's probably a bit of both. Local government has been innovative since its inception. In the 19th century, it introduced street lighting and paving, sewerage systems and notification systems for monitoring infectious diseases with dramatic impacts on life expectancy. This was serious social innovation on a dramatic scale.

Despite being constrained in scale and power, there are many creative people in local government who are committed to testing novel approaches to improving public service provision. But too much of this activity goes unnoticed, because much of it is small in scale. Yet, a customary search through a number of data sources, including the Beacons scheme publications and databases, and the partnership and places library, might surprise some in that they reveal a rich supply of innovative practice.

Environmental problems

Like the "cop swap cards" which encourage kids and adults to get to know their local safer neighbourhood teams (see idea.gov.uk/beacons). Others include programmes in Ealing and Lewisham that encourage and enable residents to report environmental problems (CLG, 2008). The IDeA is building on this good work sharing the learning from these many improvements and increasing opportunities for peers to learn directly from each other, for instance through the Beacons scheme, peer review, member mentoring and online communities of practice.

Even more fundamentally, the local wellbeing project, (a partnership project with South Tyneside, Manchester and Hertfordshire councils, the IDeA, Young Foundation and LSE) is challenging what local government is there for. In many ways returning to its 19th-century origins, it focuses not on individual services like economic regeneration, housing, social care or culture, but on what they mean as a whole for the happiness and wellbeing of both individuals and our communities. This work could have far

reaching implications for what we do, and how we do it. (For more information about the local wellbeing project see idea.gov.uk and localwellbeing.org.uk.)

Towards a new innovation paradigm

If local government can innovate, why the criticism, and why is it currently pushing for better innovation itself? Yes, there are impressive schemes like the congestion charge in London, and Essex County Council's proposals to take over post offices and tackle the credit crunch by a mass installation of renewable energy on domestic houses to reduce the impact of rising fuel prices, but these are still the exception to the rule. Much of local government innovation is not systematic, nor it has received the same attention that has been paid in recent years to service improvement. Why has local government lost its ability for big innovation and why are unkind comparisons made with the private sector? For a mature appreciation, we have to realise that innovation looks different in the public sector.

Arguments abound over the need for greater value for public money. Unlike commercial entities, the public sector has to work within the arena of public openness, with every action scrutinised. Without the competitive operation of the market mechanism there is no in-built incentive to change standard routines and processes. Moreover, the later part of the 20th century bore witness to the expansion of central government dominance. Controls on spending and prescription in service delivery, with detailed monitoring and inspection have induced a compliance mentality which stifles free-thinking and creativity. Yet,

local government does have sufficient power to innovate. The Local Government Act 2000 provides a broad power to promote wellbeing and the new reporting reductions inherent in the second-generation local area agreement framework will further support opportunities to innovate.

Regulatory burdens

So what is the IDeA and LGA family doing to bring the paradigm change about? We are working with both government and the inspectorates to devolve more responsibility back to communities with fewer regulatory burdens and a greater emphasis on self-evaluation in the new comprehensive area assessment. In January 2008, the National Improvement and Efficiency Strategy committed the sector to develop a "single integrated approach" to building the capacity of local government innovation. To address this objective, we are working with key players, including the Young Foundation and the Innovation Unit on an "Innovation Catalyst" to generate, incubate and spread social innovation practice. The Innovation Catalyst will tackle complex policy issues like youth crime; examining the underlying causes and recommending solutions. The IDeA is also working with the National Endowment for Science, Technology and the Arts (NESTA) on its Public Services Innovation Lab (see Ian Watmore's essay on page 14 in this pamphlet on Innovation and the role of

central government) ensuring the full involvement of local government in this important work.

Conclusion: developing an innovative culture

It is important to remember that there is no single best way of being innovative. Tensions undoubtedly exist between maximising innovation and minimising risk. Although exceptions abound, local government has a generic reputation for being risk-averse. Talk about moving from a focus on best practice performance to next practice innovation will require culture change, skills development for officers and members and the application of those new skills. Building wholesale innovation capability within the sector will also require changes to organisational process and leadership, overcoming existing media perceptions and the greater promotion of both role models and bottom-up advocacy. What is required is a paradigm shift. To effectively respond to the public service challenges and deliver improved outcomes in the 21st century, local government will need to move from a "tick-box" mentality to a "thinking outside of the box" mindset.

Furthermore, unlike the private sector, service outcomes in the public sector are more complex and often contested. Innovation in the public sector is not simply about new products and services. Local government may

not provide the latest technological gizmo, but it does offer something more complex and with more far-reaching human results. And the reward for getting it right is not the passing pleasure of a consumable item, but a far greater purchase: that of greater life satisfaction and a sense of purpose that comes from more meaningful activities and relationships. The goal should be innovation that makes a real difference to people and places. That's local innovation.

References

Andrews, R et al. (2008), Organizational strategy, external regulation and public service performance. *Public Administration*, Vol. 86, No. 1, pp. 185–203

Audit Commission (2008), CPA - The Harder Test: Scores and Analysis of Performance in Single Tier and County Councils 2007 (London)

CLG (2008), Councillors' Guide to Creating Quality Public Spaces (London)

Lucy de Groot has been the executive director of the Improvement and Development Agency (IDeA) since 2003. Her career has ranged across the civil service, local government and the voluntary and community sectors, including roles as Director of Public Services in HM Treasury, chief executive of Bristol City Council and head of policy for the London Borough of Lewisham. She began her career in local government 20 years ago as an employment policy adviser working for Hackney Council in East London after more than 10 years in a variety of roles in the community and not-for-profit sectors in both London and Manchester

What can design add to the sector?



by Ruth Flood, head of knowledge and research,
Design Council

Public servants are under pressure to deliver increasingly personalised and localised services, with ever greater efficiency. Radical innovation has long been seen as the means of delivering this agenda, and the Design Council believes that if innovation is at the table then design – the practical discipline that links creativity and innovation – must be there too. The Design Council has recently commissioned research to understand the dynamic of design and innovation in the public sector. This work has led us to identify two myths that need correcting – for the benefit of the public sector and the design industry.

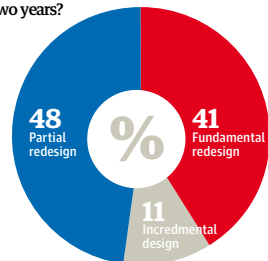
Myth 1: Local councils don't innovate

Local councils use various terms to describe the task of finding new approaches to delivering public services. While some talk of innovation, others talk about re-designing or re-engineering their services. Just under half of the local authority service directors interviewed said their organisation had fundamentally “redesigned” their services over the past two years (see figure 1).

Councils also see themselves as innovative, although in most cases “fairly”

Local councils

How would you describe the degree of change to service delivery in your authority over the past two years?



SOURCE: DESIGN COUNCIL 2008

Figure 1: Q. How would you describe the degree of change to service delivery in your authority ... over the past two years? Base: all (44)

rather than “extremely” so. All of the 17 directors from “strong performing” councils (4-star overall rating or improving strongly in the 2007 CPA scores) rated their authority on the innovative side of the scale, suggesting that, for many, innovation and strong performance go hand in hand.

For some of the local authorities we spoke to, innovation was being harnessed in a specific area of the council,

often to address a specific problem. In others it was spreading across departments and services. Whatever the circumstances, it is clear that the challenges involved in delivering public services over the next few years will be increasingly dependent on new ideas and ways of doing things.

"We're having to be innovative because we've got a lot to do." Local authority

Our study also reflects the findings from an Audit Commission survey of local authorities in 2007, in which nine in 10 claim that their authority is "always looking for new ways of doing things" and nearly as many accept "the risk of failure in trying new ways of doing things".

Myth 2: Design techniques are only used by the design industry

The research found many instances of design techniques being used, such as creative thinking, prototyping, user observation, and involving users in the design of a service (see figure 2).

"Design" is not owned by the design profession; there is widespread use of design techniques without them being recognised as such - but there is little structured use of what might be called a design approach. Many service directors claim to have purchased service design, but this constitutes just a tiny part of the design industry. In addition, when local authorities look for partners to help improve services, specialist consultancies and local government agencies feature more prominently than service design agencies.

Figure 2: Q. How frequently would you say you use in your authority: always, regularly, sometimes, seldom or never? Base all (44)

	Creative techniques for problem solving	Involve users in design of a service	Observe users whilst they use a service	Prototype service design	Piloting
Always	9%	7%	5%	2%	7%
Regularly	59%	59%	27%	23%	43%
Sometimes	30%	30%	48%	55%	41%
Seldom	-	2%	5%	14%	7%
Never	-	-	-	2%	-
Don't know	2%	2%	15%	4%	2%

Why is this? Design continues to be viewed in traditional, physical terms such as products, buildings, leaflets and logos, rather than as a way of thinking that can be applied to services, and turn creativity into innovation. Designers saw this as a barrier to working with the public sector. They were frustrated by procurement processes that are geared to "buying widgets" rather than purchasing creative services, and attitudes that see design as part of the cost of delivering a service rather than an investment in the quality of its outcomes.

In any case, can we prove a relationship between innovation and design? Our research looked for a direct link between the role design plays within an authority (as defined by the respondent) and the overall performance of that authority as defined by the Audit Commission's Comprehensive Performance Assessment (CPA). The findings suggest a number of relationships:

A) There is a strong positive link between how innovative a council perceives itself to be and its performance

B) There is a positive link between the role design plays within an authority and its performance

C) There is a very strong link between perceived innovation and the role of design within an authority

It is important to note that correlation does not imply causation, so we cannot say, for example, that design being integral to a local authority

directly causes its performance to improve. But we can be sure that a link exists; the perceived importance of the role of design within an authority goes hand in hand with independently assessed strong performance - as does a greater sense of innovativeness.

What is the future for design and innovation?

Seven in 10 of the service directors surveyed believe they will use design elements to a greater extent over the next few years. In our view this represents clear momentum towards local authorities and public service providers exploiting the well-spring of design expertise in the UK. In response the design industry needs to understand better the current set of policy challenges, and to recognise the scale of innovation already being achieved without "Design".

Methodology

The research followed a multi-stage approach in which each set of findings informed the next phase. Six interviews were conducted with designers in October and November 2007, giving us a sense of the challenges faced by designers in trying to sell their services to the public sector. Thirteen interviews then followed with senior civil servants across nine different departments and agencies, including those in explicit design-commissioning roles (eg head of communications)

and those with much less involvement with design (eg head of strategy). Interviews at local government chief executive level then followed. Twenty interviews were carried out with local authority chief executives, deputy chief executives and other senior strategists, as well as two 'design friendly' senior respondents from regional/local government agencies. An online survey followed in January and February 2008, completed by 44 service directors within 'top-tier' local authorities. Service directors were chosen from the six areas that are accorded individual ratings within the Audit Commission's CPA framework: social care (adults), children and young people, housing, environment, culture and best value. With an original sample of 741 names, the final response rate was six per cent; while lower than anticipated, this figure is not exceptional for an online survey of this nature. Vanilla Research, working with Warren Hatter, now of Ripple PRD, carried out this work on behalf of the Design Council.

Ruth Flood is head of knowledge and research at the Design Council. She has worked for a range of research consultancies, including PricewaterhouseCoopers and Opinion Leader Research. Her project management experience includes public consultation on the National Lottery and brand development for a top tier legal practice

'It shouldn't happen to a customer'



by Eddie Obeng, learning director, Pentacle

I think I'm about to lose my temper. And I'm about to lose it in public, in the Business Lounge of Heathrow Terminal five. Forty-five minutes ago I arrived at the terminal unflustered, went directly to one of those marvellous self check-in terminals, collected my boarding pass for Johannesburg and set off for security, only to be turned back and told to join a queue for something titled "Control". I waited patiently in the queue and finally when I reached the head of the queue a smiling member of staff asked for my passport, flicked through it and told me that everything was in order. By now I'm more than curious. "What were you looking for?" I ask. "Just checking that you have enough empty pages for the immigration stamp at the other end". "And if there weren't enough pages?" I ask. "Then we wouldn't have been able to let you board the flight". I'm flabbergasted. After a good start to my "customer journey" they've sent me to queue for a check which, had I failed, I wouldn't have been able to board the flight. "Wouldn't it have been better to email me before I left home to ask me to check for empty

pages?" I think. Uncomplaining, I head off again for security. As I enter the ribbon maze through the section labelled "Fast Track", a uniformed young man steps forward and reads the directions out to me. "This is the fast track". I am amazed. He is a "talking sign-post!" Perhaps for some other people the service experience is enhanced. I just feel patronised and surprised that the airport can afford to pay for such a pointless job, and join the other lowing cattle, waiting patiently to be milked. I undress in public as instructed. Now I'm in the lounge. In a panic I have been trying to upload and buy 25 copies of the latest book I'm self-publishing for distribution at the end of the course. I'm hoping the course participants will be critical. It's my final draft. To get delivery on time I need to have ordered it today. The upload and publishing went smoothly up until I left the e-publisher's website to pay for the copies I'd ordered, at which point I received a message in bright red: "This payment cannot be progressed because you haven't logged on to your account in the last 30 days!" "Logged on to my account? I never log on to my

bank account?" I think. I quickly Skype the customer service number provided and now I'm discussing this with the customer service operative. Apparently the block is a new "improvement" for my own security. Unless I log on every 29 days I will be automatically locked out. And there's nothing that the operative can do about it. I'm about to miss the deadline for ordering my book and I'm not going to spend the rest of my life logging on pointlessly to an account just so I won't be blocked from spending my own money and that is why I'm about to lose my temper.

In the UK, service-based businesses are twice as profitable as manufacturing businesses. Perhaps this is where the first barrier to innovation arises. There is less of an imperative to really push at the boundaries of most service offerings.

...of those marvellous self check-in terminals...

Many services are thrown together: a mish-mash of current best practice, expediency and thoughtlessness without a real focus on the customer's journey of contact with the organisation. It is unusual to find services which have been specifically designed, although actively designing service processes delivers 75% improvement in profitability (PACEC, 2004). Most recently, the Design Council's research found that for every £100 design-conscious businesses spend on design, they increase profit by £83 - and turnover by £225 (Design Council, 2005). However, even with well-designed customer journeys, there is a tendency to subsequently

tinker and damage the customer experience in response to operational need, rather than redesign to incorporate new requirements.

...set off for security, only to be turned back and told to join a queue for something titled "Control"...

..."Wouldn't it have been better to email me before I left home to ask me to check for empty pages?" I think. Uncomplaining, I head off again for security...

Part of the challenge lies with the nature of services. Service refers to transactions and experiences where what is being provided - help, advice, information, financial support and so on - is actually consumed at the point of production, and where tangible products which outlast the service offering are secondary to the offering.

...as I enter the ribbon maze through the section labelled "Fast Track", a uniformed young man steps forward and reads the directions out to me. "This is the fast track". I am amazed. He is a "talking sign-post"...

This means that there is an intricate jumbling up of the customer, other customers, the service providers, the physical and electronic environments in which the service is provided. In addition, unlike tangible goods where defects are more readily apparent, in services the customer's mood or level of satisfaction is harder to determine and often the same action can generate very different responses from different customers. As

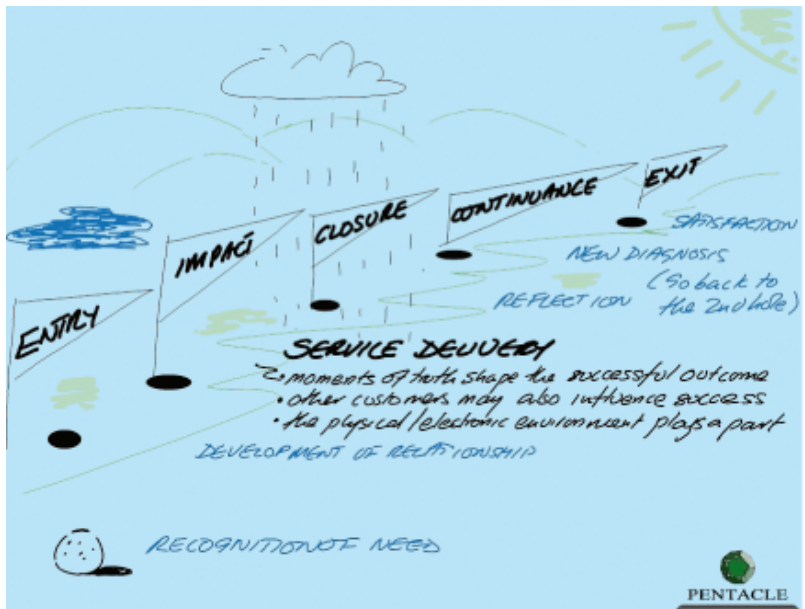
It shouldn't happen to a customer

a result really getting below the skin of a service offer is very difficult.

...Perhaps for some other people the service experience is enhanced. I just feel patronised and surprised that the airport can afford to pay for such a pointless job...

As a general rule service works in the same way for all different types of service. In the short narrative at the start of this article, I selected three different types of service offering: air travel, web 2.0 application and a financial service.

The analogy I use to explain the generic customer journey is a five-hole golf course. Success is achieved by ensuring the golf ball successfully makes it into the five very small holes avoiding all the sand traps and ponds. The game begins at the moment (unknown to the provider) that a potential customer thinks about engaging in the service (point of entry) through to the point the service starts being delivered (point of impact, see note 1) through all the sticky moments when things go wrong (moments of truth) until the customer feels they have received value from



Note 1

the service (point of closure) which may come before or after the (point of continuance) when they will feel comfortable recommending it to other people they like, through to the end of their engagement in the service (point of exit). The idea is generally to make this frictionless, enjoyable but memorable. The rare cases where the intention is to deter people and make the service unpleasant, such as when your car is clamped or towed away or if you try to park in central London, these processes have been designed to do the exact opposite.

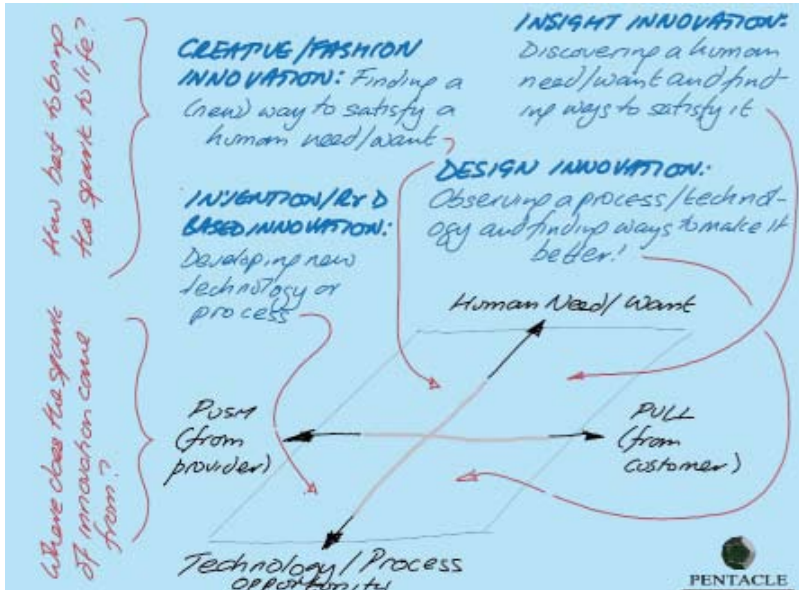
...join the other lowing cattle, waiting patiently to be milked. I undress in public as instructed...

In some cases the service offering is designed just to be memorable. As in the airline industry where changes were made to the customer journey after the Department of Homeland Security in the United States, after failing to see a rise in public confidence in spite of introducing stringent security measures, famously declared that "the public do not feel safe until they are inconvenienced" (Tom Ridge on Larry King Live, January 9 2002).

Far more commonly businesses are trying to find ways of adapting services to make more money. The definition I use for innovation is The process of turning (new) ideas into money (benefit) (see Obeng, 2003). Innovation

holds us in its complex paradoxes. If you search Google for innovation it returns about 133 million hits. Narrowing the search to books, Amazon produces around 260,000 results, but why with such a plethora of information is the success rate of innovation so low? Consider the number of ideas you have. What percentage do you write down? Of the ones you write down, how many do you share with your colleagues and get a thumbs up? And of those, how many do you manage to get funding and resources to develop? And of those how many develop into real offerings? And how many of those get rolled out or launched? And of those how many are profitably making money for your organisation two years later? Pentacle's estimate, which is very different from the few published reports available (Economic Trends, 2002), is that the real success rate on innovation is of the order of 1 in 100,000! With all that research, information, all those models and consultants, this makes no sense at all - a real paradox. The truth of course is that in our new world of change and complexity, where the pace of change outstrips our pace of learning, the pattern of successful innovation, as with any complex system, relies on a few key variables. With odds of 100,000 to 1 it makes sense to try to identify fewer sparks of innovation, ensure that they are built on creatively and are as close as possible to what customers would really value. In short, we need to

It shouldn't happen to a customer



Note 2

organise ourselves to create, capture, improve, visualise, and manage ideas. I call this "Creating the Opportunity". It is one of five typical barriers to successful innovation (Obeng, 2005). The sparks of innovation fall untidily into four categories. Given that our economy is already 75% service based we have a significant base from which to develop innovation. However, few service organisations actually declare R&D spending. In 2006, following a change in accounting standards, the Royal Bank of Scotland, HSBC and Tesco, together declared nearly £700 million of R&D (Tidd and Hull,

2006). In spite of this, true innovation is rare in the service sector. Many companies incrementally improve their offerings, but few succeed in creating breakthrough service innovations that launch new markets (Berry et al., 2006). Furthermore, because service industries are less likely to use registered designs, copyrights and trademarks than manufacturing firms to protect their innovations (although service firms are more likely to use these than patents), speed of execution and speed of obtaining results is crucial for success (DTI, 2007). Perhaps the most effective route is to apply de-

sign to existing service delivery as the best route to innovation (see note 2).

I really am publishing my latest book electronically. For my first half dozen or so I went through the process which will be familiar to most authors. Stage one find a publisher, make your book fit their genre or current market focus, write the book (the hard work part), bat it backwards and forwards to the editor, then the copy editor, then to the designer and illustrator, finally the indexer has a go. Then there is a discussion about how many copies should go into the first imprint. Too many unsold and it's a disaster for the publisher. Too few and it will not make the splash it deserves. The book then disappears into an untimed black hole finally to appear on the shelves when you least expect it and after the real demand for the topic has passed.

...panic I have been trying to upload and buy 25 copies of the latest book I'm self-publishing for distribution at the end of the course. I'm hoping the course participants will be critical. It's my final draft...

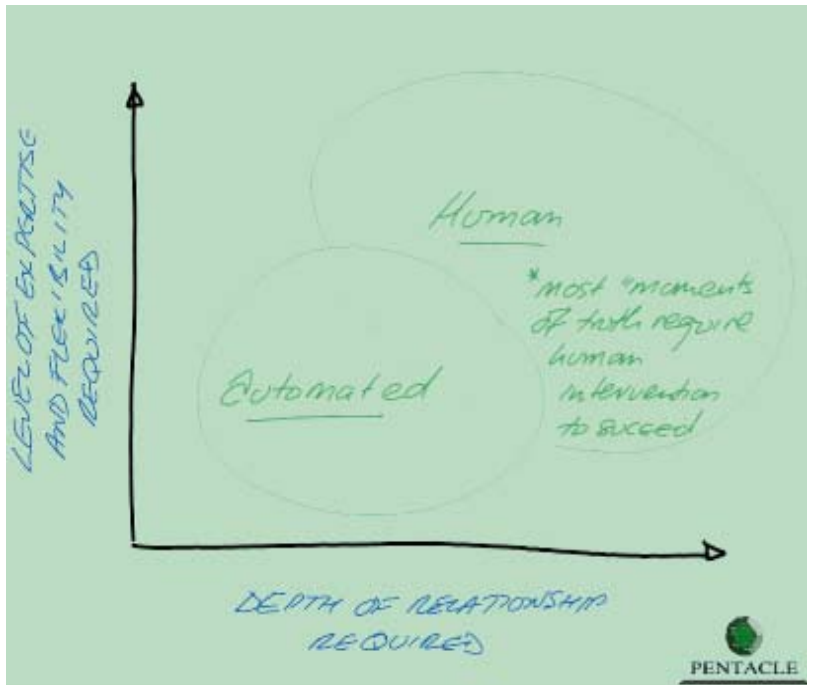
Design innovation has converted the centuries old process into e-publishing houses such as lulu.com. The new process means that you can connect electronically with all the other stakeholders who can indeed work simultaneously on the manuscript as a team. You can involve potential readers to

review and comment on a book rather than a manuscript. You can involve marketers as the manuscript takes shape so that they can anticipate the best way to communicate the book. Once all the stakeholders are happy the manuscript is finalised and within a week or so you have as many copies as you need from a single book to thousands. As an author my "customer journey" is far easier and more pleasant.

In service innovation the customer really does have the final say. The management of any new ideas should incorporate an involvement with the customer who has to "suffer them". Often small changes from the service provider's point of view which make them more effective can undermine the entire value to the customer of the service being provided and derail the journey.

Apparently the block is a new "improvement" for my own security. Unless I log on every 29 days I will be automatically locked out.

But the use of electronic and automated processing in service while appearing to be innovation can often lead to poorer performance if it is inappropriately applied. One of the best indicators of future business growth is the Net Promoter Score (Reichheld, 2006) – simply put, it's the difference in the percentage of people who think your service is the bee's knees and



Note 3

recommend you to all their friends and extended families and those who can't stand you! It helps establish how likely your service is to develop organically (see note 3).

It is extremely perilous to use automation inappropriately because then, at the "moment of truth", if the staff aren't empowered to respond with flexibility, the meeting point of expectations and reality will leave you with disappointed customers. Given that it is

these moments of truth which set your customer's attitudes, getting it wrong can be extremely detrimental.

...and that is why I'm about to lose my temper.

In an economy so dependent on service we must move beyond the "old world" assumptions on both service and innovation. In our new world, service innovation revolves around a deep un-

understanding of the complete customer's journey from the customer's perspective. It depends on our ability to apply the right innovation approach to the opportunities identified. That way we'll never have to say, "It shouldn't happen to a customer".

References

Berry, LL et al (2006), Creating new markets through service innovation. MIT Sloan Review, Vol. 47 (Winter)

Design Council (2005), The Business of Design (London)

DTI (2007), Innovation in Services, Occasional Paper No. 9 (June)

Economic Trends (2002), No. 587 (October)

Obeng, E (2003), Innovation: it's a project Jim, but not as we know it! Project Management Today (April)

Obeng, E (2005), Delivering innovation projects – the next place to be... but watch out for those rabbits! Project Management Today (December)

Reichheld, F (2006), The Ultimate Question (Bain & Company)

Tidd, J and Hull, FM (2006), Service Innovation: Organizational Responses to Technological Opportunities and Market Imperatives (Imperial College Press).

Professor Eddie Obeng is learning director of pentacle, the world's first virtual business school. He is also Professor at the School of Entrepreneurship and Innovation, Henley Business School
eddie_obeng@pentaclethevbs.com

The images in the article were created using Papershow, an innovation in image capture launched in September 2008 in a fraction of the time it would normally have taken to illustrate

theguardian societyguardian

Last chance
to register



A conference for professionals involved in debt strategy, financial capability or financial advice

Tuesday November 18 2008
Inmarsat, London

Speakers include:

Vincent Cable MP, deputy leader of the Liberal Democrats

Joanna Elson, chief executive, Money Advice Trust

John Fairhurst, managing director, Payplan

Eric Leenders, executive director for retail banking, British Bankers Association

Teresa Perchard, director of policy, Citizens Advice

Don't miss out on your delegate place, register today at guardian.co.uk/thedebtdebate

Third sector's role in innovation



by Stephen Bubb, chief executive, Association of Chief Executives of Voluntary Organisations

The third sector loves innovation. It's what we do so well. When you look at what are now regarded as established parts of the public sector you will often find they began as innovations in the third sector. Probation – a service founded by Frederic Rainer in the 19th century and not taken on by the state until 1938. Child protection, pioneered by the NSPCC set up in 1825. The hospice movement, community care, fostering and adoption, care for people with mental health problems or disabilities – it was the third sector that pioneered and fought for good practices and policy changes.

In many ways this is not surprising. This is a zany and dynamic sector. It's a sector that attracts mavericks and people with ideas. It attracts 'missionaries' and people who have been knocked back by the establishment. That also means it can be difficult and problematic to deal with.

But it's no good having a good idea if that can't be translated into practical effect. So, for example, Turning Point was founded in 1964 as an alcohol project in south east London helping a handful of street drinkers. It had the right approach to client-based intervention and

it is now one of the UK's leading health and social care organisations supporting over 100,000 people a year. And it continues to be highly innovative. They have piloted a "connected care" approach which began in Bolton, supporting local people to do their own audits of local services and then design new services to improve provision.

Radical initiative

Acevo is part of a radical initiative by government, called the "Innovation Exchange". We partnered with the Innovation Unit to look at how we can upscale examples of innovative projects into the mainstream of the public sector and public practice. Innovation has to be spread and this requires effective partnerships between the third sector and the public sector. Indeed, we also need to be thinking of ways in which we could work with the private sector too.

Is innovation the enemy of bureaucracy? Sometimes I suspect it is. However, no bright idea is going to be of much use unless the lessons are spread to benefit more citizens and communities. Too often the innovative practices of many third sector organisations, large and

small, community based and national, are left to flounder through a lack of funding, or effective support, or even interest from public sector bodies.

Local authorities need to play an increasing role in supporting innovation by working with third sector organisations and considering whether the ideas and ways of working in those organisations can be replicated within the local government structure itself. Local strategic partnerships could be the vehicle to ensure this happens. How does good practice in Lambeth spread to Liverpool or Littlehampton?

Relationships between the third sector and local authorities are not as good as they should be. They can sometimes be marked by turf wars and arguments over who represents whom. Third sector organisations often feel patronised, under-funded and under-supported, yet the best local authorities understand that in their place-shaping role they need to fully engage with the third sector. This may often mean handing over service delivery to third sector organisations, and often handing power to communities, whether of place or of interest.

Innovative practices

Stereotypes abound: some local councilors see third sector activists as trouble-makers and some third sector workers see local government as out-of-touch bureaucrats. But both local government and the third sector are actually committed to developing healthy and sustainable communities. It's a task that has to

be shared. And the innovative practices of the third sector need to be welcomed and adopted by local government.

A public service needs to be able to respond to consumer demand and also to anticipate it. In a fast changing world, where sacrifice and information technology move at an exponential rate; we cannot afford not to invest in innovation. This is not simply about investment in ideas, or the approach of the maverick! It is also about how organisations invest in research and development and have mechanism for evaluation and review. Again, the third sector often finds it difficult to get funding for such research. Again partnership between the state and the sector could provide an answer.

Finally, what is the role of the chief executive? It is to welcome the new and the different. Think out of the box and drive strategy. So a CEO is key to more innovation!

Stephen Bubb is CEO of the Association of Chief Executives of Voluntary Organisations (ACEVO), where his work on leadership, sector funding and public service reform has radically shifted attitudes and policies. In 2007 he became Secretary General of Euclid Network, the European body for third sector leaders. He is chair of the Adventure Capital Fund, a member of the Commonwealth Foundation's Civil Society Committee 2008, an Independent Assessor for high profile public appointments, and a member of the Honours Advisory Committee

Lessons from a planner



by David Prout, executive director, Planning and Borough Development, Royal Borough of Kensington and Chelsea

Tucked away out of sight at St Paul's Cathedral in London is the Great Model. Designed by Sir Christopher Wren it is a huge thing, beautifully crafted in wood. It was built by Wren in order to convince the Bishop of London of the benefits of a pure classical baroque design. The bishop was not convinced and instead of the Great Model, based on a Greek cross with four equal arms, we have Wren's masterpiece based on the traditional medieval plan of a Latin cross with a long nave and short transepts and choir.

This has always intrigued me. St Paul's as built is a beautiful, complex and rich building with all manner of hidden tricks and compromises to disguise a Gothic cathedral as a classical temple. But which would have been better – Wren's original design with all its clarity of vision or the compromise forced on him by his client and the demands of the Anglican liturgy? Would the original design have been loved and cherished like its quirky successor? Or would it have been rejected by Londoners because of its narcissistic pursuit of a single idea?

These are questions that go to the heart of public sector policy making today. In a modern bureaucracy how

do we ensure that accountability does not lead to mediocrity? How do we ensure that consultation does not boil proposals down to the lowest common denominator? How does clarity of vision survive when we have multiple, time-consuming and complicated decision-making processes? And how do we raise innovation and inspiration above the more mundane concerns of regulations and budget constraints?

In the first instance we should make a distinction between the public sector as client and the public sector as regulator.

The public sector as regulator

It is not impossible for the public sector as regulator to deliver good design. The London Building Acts – dating back to the 17th century – delivered the Georgian townscapes that are now cherished and protected throughout the land. And regulation has meant that historic townscapes, green belts and National Parks have been preserved for future generations.

But whatever praise can be heaped on the post-War Planning Acts in terms of conservation does not apply to design and architecture. Good design has won

through in spite of the Planning Acts rather than because of them.

Consider some of the obstacles we place in the way of good quality design:

- Prescriptive and tightly drawn policies: what would our cherished townscapes be like today if we projected current conservation and design policies back through history? We would never have moved away from the stock brick of Bloomsbury. We would never have had the stucco of Belgravia or the red brick of South Kensington. In an historic area like Kensington and Chelsea, I do not advocate tearing down historic townscapes, but where the principle of new development is acceptable we should be more open to new architecture and its potential to deliver the listed buildings of tomorrow.

- Complex and multiple decision-making processes: the Planning Acts and other legislation have created such a web of complex consultative, regulatory and decision-making processes that it is not only very difficult to get planning permission, but also, once achieved, all the incentives rule against amendment, even if for very good design reasons.

- Regulation: the planning system is enormously complicated. Officers, members, applicants and the public therefore cling to simple, understandable rules to help guide them through the process. Off-street parking is a good example. I have lost count of the number of streets that have been ruined by the requirement for off-street parking, either hard

standing or integral garages. Similarly the number of unplanned public urinals created by fire doors that have to be recessed behind the building line.

- Experts: it is unfair to single out any particular group of professionals for criticism, but our townscapes can be dominated by the requirements of experts – and in particular transport policy requirements. I marvel at the newly-restored St Pancras Station – saved by the planning system – but I am dismayed by the bypass that has been built through the heart of the site. Its smooth curves justify the infrastructure investment by means of reduced journey times, but ignore the urban grain and create a road that will always be dominated by speeding traffic and will never be a good setting for the new buildings to come. Again, we have to think about the bigger picture. One group of experts cannot be allowed to distort a whole development by their particular requirements.

The public sector as client

It is not impossible for the public sector to commission and deliver high-quality design. Think of the London Board schools in the late 19th century, town halls of all ages up and down the country and some – but not much – local authority housing. That said, there are numerous obstacles to achieving good design and architecture:

- Design by committee: good design demands a clear vision. It is incredibly important for the client and the archi-



St Paul's Cathedral in all its night time glory

tect to work together to define the key qualities they want to achieve.

- Over-compliance: public authorities naturally want to abide by the rules. But slavish compliance will erode the qualities of good design.

- Procurement rules: private developers can appoint the right architects for the right job. Procurement rules are designed to create "fairness", but they also mean that tick box exercises can replace intelligent decision-making.

- Value engineering: it is essential to stay within budgets, but value engineering can lead to short-term decisions regarding capital expenditure that lead to long-term problems or inefficiencies

There are lessons to be learnt from this that apply across the public sector to all kinds of design – whether it's an IT system, a new piece of legislation or a building. So, what do I conclude after 18 months here?

Prescriptive policies can be good in some circumstances, but they may well crush creativity and innovation.

In the public sector decision-making processes are often complex, but keep it as simple as possible because the more complex the decision-making the less flexibility for adjustment, refinement and risk taking.

Regulation may be necessary in some circumstances, but it can lead to perverse outcomes and unintended consequences – particularly in any system of performance management.

Experts are necessary, but they

may design to suit their own particular purposes without taking into account the overall vision and desires of the community.

Vision and clear-sightedness is at the heart of good design. Preserving that vision through our bureaucratic and democratic processes is essential.

That vision also has to be maintained against the requirements of public sector compliance with regulations and – from time to time – doing the right thing is more important than sticking to the original budget.

To help us with this in the planning department we have an influential "Design Champion" in the person of councillor Daniel Moylan, the deputy leader of the council, we have established an Architectural Appraisal Panel made up of distinguished local architects and we have a committed and enthusiastic planning committee. Our aim is to encourage brave clients to come forward with great architects. And we have a raft of projects at the planning stage that we hope will deliver a valuable legacy for future generations.

David Prout is executive director of the Planning and Borough Development, Royal Borough of Kensington and Chelsea. Prior to that he was the director of Local Government Policy at the Department for Communities and Local Government



Make sure you get the real thing When investing public money it's important to have a partner you can trust. Look for the SOLACE Enterprises logo and you know that it's a guarantee of quality service, of a unique understanding of local government, and of a partner who supports and invests in your sector. To find out more visit www.solaceenterprises.com or contact us on **0845 601 0649**.



Look what good design can do for innovation

Our national design support programme has already helped more than 1,500 businesses to boost innovation and add value by using design. These are just the results so far for hi-tech start-ups. Now we're creating a new version of the programme so public services can benefit too.

Good design is good for the UK.